



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

BRIEFING FOR

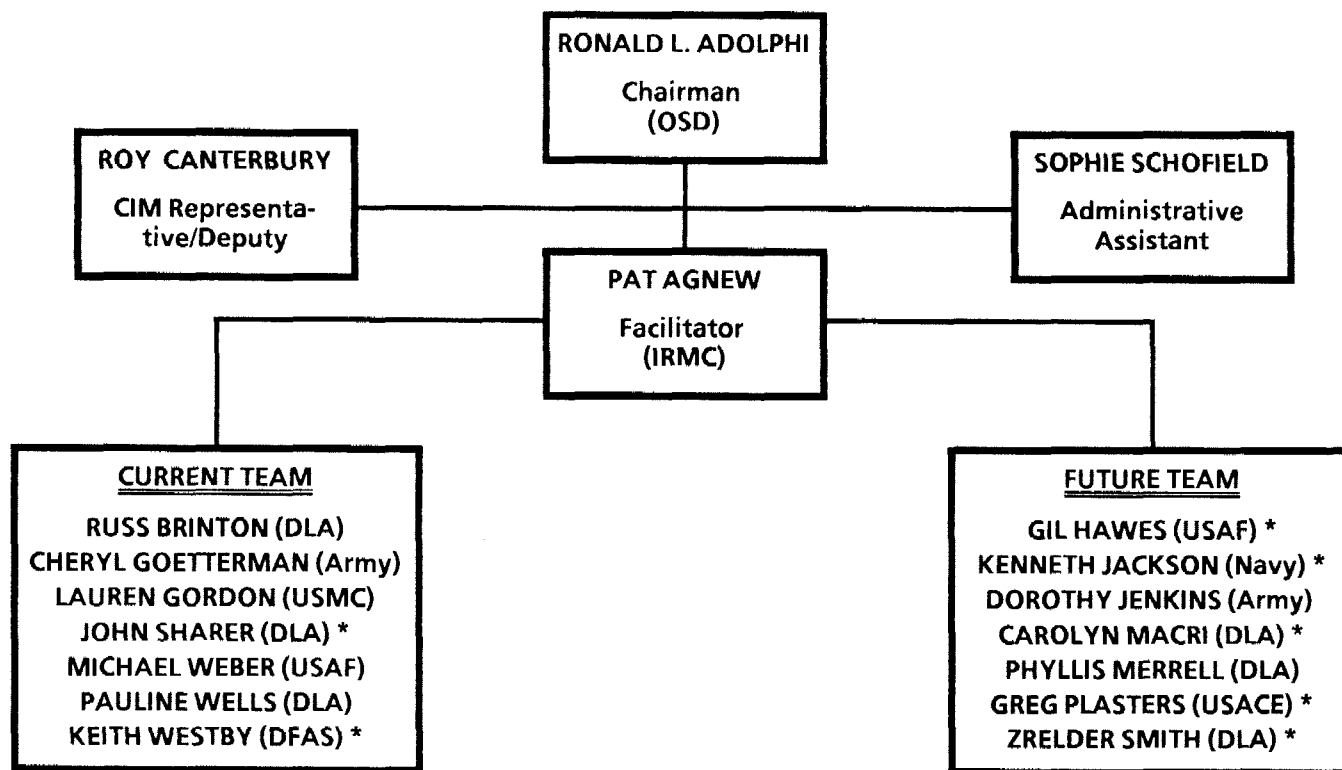
**MR. PAUL STRASSMANN,
DIRECTOR OF DEFENSE INFORMATION**

April 9, 1991



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

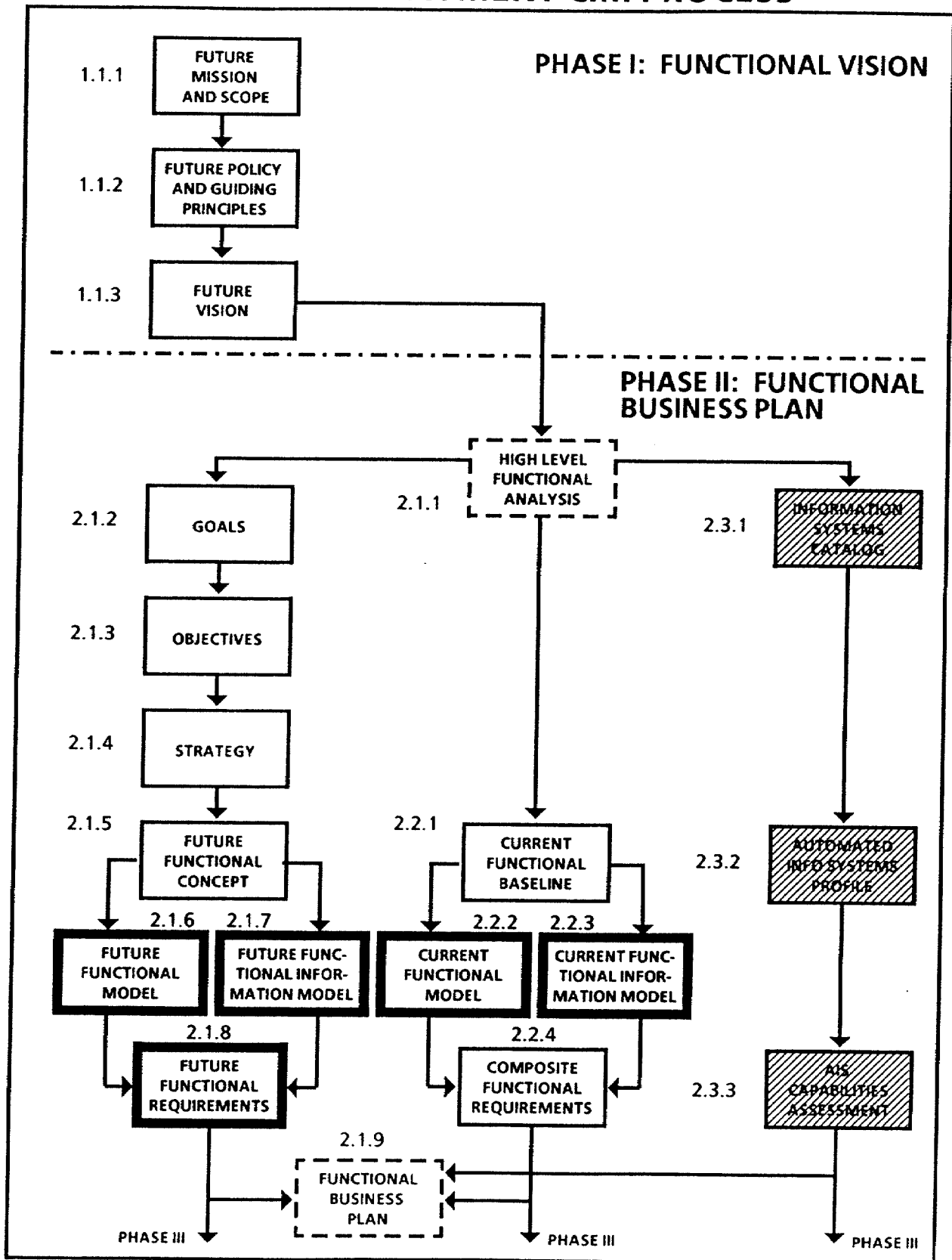
PHASE II ORGANIZATION



* Transferring to DFAS

(3 APR 91)

CONTRACT PAYMENT CIM PROCESS



Contract Payment CIM Functional Group - Task Schedule

CIM Process Guide Task	Event No.	CP Team	Month											
			Jul 90	Aug 90	Sep 90	Oct 90	Nov 90	Dec 90	Jan 91	Feb 91	Mar 91	Apr 91	May 91	Jun 91
Future Mission and Scope	1.1.1	C/F	▲	—	▲							▲		
Future Policy & Guiding Principles	1.1.2	C/F	▲	—	▲									
Future Vision	1.1.3	C/F	▲	—	▲									
High Level Functional Analysis	2.1.1	C/F			▲	—						▲		
Goals	2.1.2	C/F				▲	—	▲						
Objectives	2.1.3	C/F				▲	—	▲						
Strategy	2.1.4	C/F					▲	—	▲					
Future Functional Concept	2.1.5	F						▲	—	▲				
Future Functional Model	2.1.6	F								▲	—	▲		
Future Funct'l Information Model	2.1.7	F									▲	—	▲	
Future Functional Requirements	2.1.8	F									▲	—	▲	
Current Functional Baseline	2.2.1	C						▲	—	▲	▲			
Current Functional Model	2.2.2	C							▲	—	▲			
Current Funct'l Information Model	2.2.3	C								▲	—	▲		
Composite Funct'l Requirements	2.2.4	C										▲	—	▲
Information Systems Catalogue	2.3.1	DFAS		▲	—							▲		
AIS Profile	2.3.2	DFAS										▲	—	▲
IS Capabilities Assessment	2.3.3	DFAS										▲	—	▲
Functional Business Plan	2.1.9	C/F												▲
KEY														
CP = CIM Contract Payment Group														
C = Current Team														
F = Future Team														
DFAS = Defense Fin. & Acct'g Svc.														
Solid Line = Completed Task														
Dashed Line = Uncompleted Task														
▲ = Some Rework Required														

Contract Payment CIM Functional Group - Phase II to Phase III Transition Schedule

[illegible]

OASD(C3I)IS/CIM-CP
March 12, 1991



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

MISSION

VERIFY THAT PAYMENT TERMS AND CONDITIONS OF THE CONTRACT OR LIKE-AGREEMENT HAVE BEEN MET; ASCERTAIN THE MONETARY ENTITLEMENT DUE THE PAYEE; ENSURE THAT PAYMENTS ARE SCHEDULED AND APPROVED FOR TIMELY RELEASE ACCORDING TO LAWS AND REGULATIONS; AND ASSURE THE INTEGRITY AND AVAILABILITY OF CONTRACT PAYMENT INFORMATION FOR CUSTOMERS AND OTHER USERS.



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

SCOPE

THE CONTRACT PAYMENT FUNCTION BEGINS WITH A REQUIREMENT FOR PAYMENT. IT ENDS WHEN ALL PAYMENT TERMS AND CONDITIONS OF THE CONTRACT OR LIKE-AGREEMENT HAVE BEEN MET AND ASSOCIATED INFORMATION HAS BEEN PROVIDED. EXCLUSIONS ARE NOT LIMITED TO, BUT WILL INCLUDE, ALL OBLIGATING, DISBURSING, AND REGULATORY FINANCIAL REPORTING FUNCTIONS WHICH WILL BE COVERED BY OTHER FINANCIAL OPERATIONS.



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

ACCOMPLISHMENT #1: IDENTIFIED CURRENT ENVIRONMENT (PROBLEM AREAS) ASSOCIATED WITH CONTRACT PAYMENT

ENVIRONMENTAL STATEMENTS

- **OPERATIONS**
 - DIFFERING PROCEDURES AND SYSTEMS
 - INEFFECTIVE USE OF PERSONNEL
 - LIMITED "CUSTOMER SERVICE" FOCUS
- **LEGISLATIVE, REGULATORY AND POLICY**
 - VARIETY OF PROVISIONS
 - LEVELS OF REGULATIONS & INCONSISTENT INTERPRETATIONS
- **TECHNOLOGY**
 - MANUAL TO HIGHLY AUTOMATED PROCESSES
 - OPERATIONAL AND FUNCTIONAL REQUIREMENTS NOT MET
 - SYSTEM INTERFACES ABSENT
 - NONCOMPLIANCE WITH GENERAL ACCOUNTING STANDARDS

(8 APR 91)



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

ACCOMPLISHMENT #1 (CONTINUED)

BENEFITS

- FOCUS ON AREAS REQUIRING IMPROVEMENT
- DEVELOPMENT OF SPECIFIC GOALS, OBJECTIVES & STRATEGIES

STATUS

**VISIONS, GOALS, OBJECTIVES AND STRATEGIES
WERE ACCEPTED BY THE
FINANCIAL MANAGEMENT FUNCTIONAL STEERING COMMITTEE
ON FEBRUARY 21, 1991**

(8 APR 91)



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

ACCOMPLISHMENT #2: DEVELOPED DoD-WIDE DEFINITION FOR CONTRACT PAYMENT & UNIFORM FUNCTIONAL CONCEPTS

BENEFITS

- CROSS-COMPONENT CONSENSUS ON MISSION AND SCOPE OF FUNCTION
- IDENTIFICATION OF AND AGREEMENT ON FUNCTIONAL ACTIVITIES
- CONSISTENT APPROACH TO BUSINESS METHODOLOGY

STATUS

**CURRENT AND FUTURE FUNCTIONAL MODELS AND
FUNCTIONAL INFORMATION MODELS IN FINAL STAGES OF COMPLETION**

(8 APR 91)



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

ACCOMPLISHMENT #3: IDENTIFIED CURRENT DoD SYSTEMS ASSOCIATED WITH CONTRACT PAYMENT FUNCTION

BENEFITS

- DEVELOPED INVENTORY OF AIS FOR SUBSEQUENT EVALUATION
- DETERMINED THAT NO EXISTING SYSTEM CAN SATISFY FULL SCOPE
- RECOMMENDED ONE EXISTING SYSTEM FOR EACH PAYMENT TYPE

STATUS

**PROVIDED CATALOG TO DEFENSE FINANCE & ACCOUNTING SERVICE;
NEGOTIATING WITH DFAS ON REMAINING TASKS IN THIRD LEG OF PHASE II**

(8 APR 91)



CONTRACT PAYMENT CIM FUNCTIONAL GROUP

ACCOMPLISHMENT #4: CONDUCTED FIELD TRIPS TO SELECTED PRIVATE SECTOR AND FEDERAL AGENCY ACTIVITIES

BENEFITS

- IDENTIFIED CONSISTENCY OF MOST BUSINESS PRACTICES
- CONFIRMED THAT PRACTICES IN SOME DoD ACTIVITIES ARE AT OR ABOVE THOSE IN PRIVATE SECTOR, INCLUDING EDI APPLICATIONS
- FOUND EXAMPLES OF INVOICES ELIMINATED AT SOME ACTIVITIES

STATUS

**ADOPTED ELIMINATION OF INVOICE, WHERE PRACTICAL,
IN FUTURE FUNCTIONAL CONCEPT**

(8 APR 91)

CONTRACT PAYMENT CIM FUNCTIONAL GROUP

NARRATIVE TO ACCOMPANY LIST OF ACCOMPLISHMENTS

BACKGROUND. The Contract Payment CIM Functional Group convened June 3-8, 1990 for team building, methodology training and an initial determination on the nature of the contract payment mission beyond the next decade. On July 9, 1990, the Group reconvened to begin the task of producing a functional business plan.

The Group completed Phase I of the CIM Process Guide and received CIM Director approval on September 18, 1990. It briefed the Financial Management Functional Steering Committee on February 21, 1991, and received formal approval of its Phase I products and steps 2.1.1. through 2.1.4. of Phase II.

COMPOSITION. The Group is chaired by a Senior Executive from the Office of the DoD Comptroller. The CIM representative/deputy has extensive experience in financial systems development. The facilitator is a professor of systems management from the Information Resource Management College. Core participants consist of fourteen personnel with functional expertise from the Military Services and Defense Logistics Agency. Disciplines of expertise include: accounting policy development and implementation, systems accounting, and management of the process whereby payments for acquired goods and services are made within the Department of Defense.

A breakout of the participants' Component affiliation, at time of nomination, and respective grade range is provided below.

<u>Component</u>	<u>Participants</u>	<u>Grade Range</u>
Army	3	GS-12 to GM-14
Navy	1	GS-13
Air Force	2	GM-14 and Major
Marine Corps	1	Major
DLA	7	GS-12 to GM-15

Seven of the fourteen participants are transferring or have transferred to headquarters or field positions with the Defense Finance and Accounting Service (DFAS).

VISIONS AND ASSOCIATED BENEFITS. The Group's visions, as follows, were accepted by the Financial Management Functional Steering Committee.

A. **Data Credibility.** All data used will come from the official source records. Since all information used by the Contract Payment process will be only from the official source (i.e., no transcription), completeness and accuracy of the data are expected to be significantly more reliable. This will:

- Reduce Manpower/Overhead Costs
- Increase Accuracy of Payments
- Decrease Incidence of Lost Discounts

B. Accountability. As a concomitant part of source access, DoD Component functional activities will have the sole responsibility for the quality (or correction) of their data. This feature is expected to:

- Reduce Manpower/Overhead Costs
- Improve Operational Processes
- Reduce Interest Costs

C. Uniformity. The Contract Payment process will be standardized and uniformly applied by all DoD Components. This will:

- Result in a Single Communication Network Protocol
- Reduce Maintenance and Training Costs
- Facilitate Testing and Changes

D. Compliance. By embodying all statutory, regulatory and audit requirements in the Contract Payment process, DoD should:

- Improve Cash Management
- Reduce Interest Costs
- Streamline the Audit Process
- Improve Timeliness & Consistency in Reporting

E. Flexibility. Since DoD Components have diverse requirements for location of the Contract Payment function, the process must be responsive to a changing environment. This will:

- Maintain Consistency During Emergency Operations
- Minimize Operating Costs
- Reduce Maintenance and Reprogramming Costs

F. Customer Service. The result of implementing the above recommendations will be enhanced customer service. This, in turn, will:

- Reduce Inquiries
- Improve Relations with Vendors
- Reduce Manpower/Overhead Costs

These visions have been compared with current practices in the private sector and other Federal agencies and are considered by the Group to be at or beyond the baseline of systems now operating or planned.